

1 **Adopt 2 Cal. Code Regs. Section 18404.2 to read:**

2 **18404.2. Termination of Pre-2001 Committees Of Non-Officeholding Candidates.**

3 (a) **Pre-2001 Committees.** Any candidate controlled committee organized for
4 elective state office for an election held prior to January 1, 2001, must be terminated as
5 set forth in 2 Cal. Code Regs. section 18404 and as follows:

6 (1) Committees controlled by candidates who never held or, as of the
7 effective date of this regulation, no longer hold the elective state office for which the
8 committees were formed must be terminated no later than December 31, 2002.

9 {**Decision 1**}(2) No less than 60 days prior to filing its Statement of
10 Organization (Form 410) with the Secretary of State, declaring its termination, the
11 committee shall give notice of its impending termination to all creditors to whom it owes
12 outstanding debts. Such notice shall include the date upon which the committee expects
13 to file its Statement of Organization with the Secretary of State.]

14 (b) A committee subject to subdivision (a) of this regulation may submit a
15 request to the Executive Director of the Fair Political Practices Commission for an
16 extension of up to six months' duration in which to comply with the requirements of this
17 section. Such a request shall be submitted to the Executive Director no later than 30 days
18 prior to the original due date for the committee's termination. Once an extension has
19 been granted, any funds raised by the committee must be used to pay off the existing debt
20 or to pay for fundraising costs. Requests to renew the extension for additional periods of
21 up to six months must be submitted to the Executive Director no later than 30 days prior
22 to the expiration of the prior extension.

1 The Executive Director's decision regarding the granting or denial of the
2 extension {Decision 2}[shall be final/may be appealed to the Chairman within 10 days of
3 receipt of the denial]. In denying or granting the request for extension, the Executive
4 Director shall consider the following:

5 (1) Whether the committee:

6 (A) Is continuing to receive contributions toward its outstanding
7 debts;

8 (B) Anticipates receiving contributions in the future toward its
9 outstanding debts; and

10 (C) Currently has the ability to discharge all of its debts, loans and
11 other obligations;

12 (2) The existence of third-party debts and the extent to which payment
13 arrangements with one or more third-party creditors have been made and entered into in
14 writing, and the extent to which the candidate demonstrates how the committee will meet
15 the agreed-upon payment schedule;

16 (3) Whether the committee is a party to litigation or anticipates the filing
17 of litigation with a third-party creditor regarding debts arising out of goods or services
18 provided to the candidate or the candidate's controlled committee; or

19 (4) Other good cause shown.

20 NOTE: Authority cited: Section 83112, Government Code.
21 Reference: Section 84214, Government Code.
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